

The Clinton/Gore Administration's Proposal to Help Sick Workers

Hypothetical Case Studies

Whether a worker or surviving spouse chooses to receive the workers' compensation benefits or the optional lump sum payment available under the proposal depends on individual and family circumstances. Consider the following hypothetical cases:

Current Worker with Cancer – *elects to receive workers' compensation benefits*

- ▶ “Bob” is a 55 year-old worker at Los Alamos who has recently been diagnosed with disabling chronic granulocytic leukemia. He makes \$50,000 per year and has worked for a Department of Energy contractor for the past 25 years. He is expected to survive with the disease for a number of years.
- ▶ He and his wife, Emma, have two children at home, ages 12 and 15. Emma does not work outside the home, and Bob is their only source of income and medical insurance.
- ▶ Bob and Emma accept the workers' compensation benefits option. By selecting this option, they will receive untaxed wage loss benefits of \$37,500 per year for the duration of his disability.

For Bob's medical care related to his cancer, he will receive:

- all his office visits, diagnostic tests and therapies without having to pay any co-payment or deductibles;
- transportation and other costs associated with his medical care;
- prescription drugs and hospitalizations at no cost to Bob and his family; and
- job retraining if Bob is unable to return to his original job after the illness.

Deceased Worker with Cancer – *spouse elects to receive workers' compensation benefits*

- ▶ “Brandon” worked for 30 years at the Portsmouth Gaseous Diffusion Plant and made \$45,000 in his last year of work. Brandon died of bone cancer at age 60, after living for five years with the illness. His widow, Cathy, had to quit her job a year before he died to care for him.
- ▶ Brandon was actively employed until one year before his death but missed a great deal of work during three of the last five years he worked. He was able to work at times between recurrences, but used all his eligible sick days and disability benefits. During much of the last year Brandon worked, he received no lost wage benefits.
- ▶ In the last three years of Brandon's life, he required significant medical attention. He was in and out of the hospital, which was mostly covered by insurance. He and Cathy paid more than \$40,000 during his last year of life on co-payments and deductibles for hospital care, office visits, therapies, testing and medication. Additionally, in-home nursing care during his last year cost of more than \$50,000.

- ▶ Cathy elects to pursue the workers' compensation option. She will receive:
 - 66 2/3 % of Brandon's lost wages, totaling more than \$30,000.
 - reimbursement for the in-home care and other medical expenses, totaling more than \$90,000.

Current Worker with Cancer – *elects to receive lump sum payment*

- ▶ "Ray" is a 50 year-old worker at a Department of Energy site with an annual income of \$48,000. He has a wife and three adult children. Ray was recently diagnosed with inoperable kidney cancer that has progressed beyond his kidneys. He is not expected to live for more than six months.
- ▶ Ray was not ill and continued to work until one month before his disease was diagnosed.
- ▶ He had one surgery during the diagnostic process and is now taking a number of medications.
- ▶ Because hospital and medical care costs were largely covered by Ray's medical insurance and lost wages would not be significant, Ray and his wife elect the \$100,000 option instead of the workers' compensation package.

Deceased Worker with Cancer – *spouse elects to receive lump sum payment*

- ▶ "Janet" was a 22-year Department of Energy contractor employee at Oak Ridge who died at age 53 after a two year illness with bladder cancer. She is survived by a husband, Alex, and three children, ages 24, 22 and 17.
- ▶ While Janet missed work during her two year illness, she received long term disability to replace her wages during that time.
- ▶ Most of her medical costs, including hospitalization and treatment, were covered by her medical insurance.
- ▶ Because Janet's medical costs and lost wages were largely covered, Alex chooses the \$100,000 lump sum benefit.

Worker with Beryllium Disease – *elects to receive workers' compensation benefits*

- ▶ "Fred" is a 45 year old machinist at Rocky Flats who earns \$45,000 per year. He has a wife and two young children. He was recently diagnosed with chronic beryllium disease (CBD) and has been beryllium sensitive for the last five years. Fred's condition has not yet required him to miss work, but his beryllium disease prevents him from continuing in his current job.
- ▶ Fred's current medical costs for CBD are more than \$1,000 per year, including medical exams, blood tests and lung function testing.

- ▶ Fred elects to accept the workers' compensation benefits program option. By selecting this option, he will receive the following:

For any missed work, Fred will receive untaxed wage loss benefits of \$37,500 per year. He will also receive job retraining, so he can return to gainful employment.

For all medical care related to his CBD, Fred will receive:

- his choice of medical provider;
- transportation to and from his medical appointments, if necessary;
- full coverage, without any co-payment or deductibles, for his medical care, including testing, blood work and examinations;
- all prescriptions and treatments at no cost to him; and
- additional care his condition may require in the future, like oxygen and special foods.

Retired Worker with Beryllium Disease – *elects to receive lump sum payment*

- ▶ “Joe” is 70 years old and worked at a Department of Energy facility for 35 years before his retirement at age 65. He has recently been diagnosed with CBD and is being treated for his illness.
- ▶ He missed no work due to his condition, receives a retirement pension and has good medical insurance.
- ▶ Joe elects the \$100,000 lump sum benefit.

Deceased Worker with Beryllium Disease – *spouse elects workers' compensation benefits*

- ▶ “Millie’s” husband, “Don,” died of CBD at age 63, after a ten year battle with the disease. He earned \$45,00 per year until he was unable to work for the last five years of his life. He worked for the Department of Energy for 25 years.
- ▶ Hospitalization was covered by insurance, but Millie and Don had to pay for oxygen at home, part of Don’s prescription drugs and special food to keep him alive during the last year of his life. The food supplement and oxygen alone cost more than \$1,000 per week and took more than \$80,000 of their savings. Millie and Don also made co-payments and paid deductibles on all of Don’s doctor visits, medical tests and laboratory work during his illness. Their medical expenses during his last ten years of life were well beyond Don’s pension since he retired early due to his medical problem.
- ▶ Millie elects the workers' compensation benefits program option. By selecting this option, she will receive the following:
 - untaxed wage loss benefits of \$30,000 per year for the work Don missed during the last five years he was alive. This could total more than \$150,000.
 - reimbursement of more than \$80,000 for the last year of medical costs Millie and Don paid out of pocket.

Deceased Worker with Beryllium Disease – spouse elects to receive lump sum payment

- ▶ “Paul” worked for 30 years at the Pantex Plant before retiring at age 65. He died four years later, after being diagnosed with CBD at age 68. Paul did not miss work from his condition and had three mostly healthy years of life after he retired.
- ▶ His widow, Carolyn, has a pension from Paul, a pension from her own career and is well insured.
- ▶ During the last year of Paul’s life, he was in and out of the hospital and the costs were mostly covered by their medical insurance.
- ▶ Because medical costs were covered and there were no lost wages, Carolyn chooses the \$100,000 lump sum payment.